

ACTION – 2

Approval of Allocation Process and Advisory Committee to Prioritize and Monitor Affordable Housing Preservation Initiatives Funded Through the Annual Designation of the Value of One Penny on the Real Estate Tax Rate

ISSUE:

As part of the budget guidelines adopted by the Board of Supervisors (Board) for Fiscal Year 2007, the Board directed the County Executive to identify a process for allocation, prioritization and monitoring of the affordable housing preservation and production initiatives funded through the annual designation of the equivalent of one penny on the real estate tax rate (\$17.9M) for Fiscal Year 2006.

RECOMMENDATION:

It is recommended that the Board approve the process for allocation, prioritization and monitoring of the affordable housing preservation and production initiatives as proposed by the County Executive.

TIMING:

Immediate. \$17.9M will be come available on July 1, 2005, as part of the Fiscal Year 2006 budget.

BACKGROUND:

On April 25, 2005, the Board adopted Budget Guidelines which included direction to the County Executive to identify an allocation process to prioritize and monitor affordable housing preservation initiatives funded through the annual designation of the value of one penny on the real estate tax.

In order to design a process that will quickly and significantly impact the availability of affordable housing in the County, the following is recommended:

Application Process: Non-profit and for-profit developers as well as the Fairfax County Redevelopment and Housing Authority (FCRHA) with a proven track record in affordable housing, will be eligible to apply for funding. Specific application procedures will be developed before July 1 which will closely resemble those already successfully used in the County's Affordable Housing Partnership Program.

FCRHA: The Board will rely on the Fairfax County Redevelopment and Housing Authority (FCRHA) to utilize its real estate capacity and powers to make loans, provide guarantees or credit enhancement and other specialized financing techniques. In addition, the Board will look to the FCRHA to provide tax exempt bond financing and other financing resources to ensure project feasibility.

Administration of the Fund: The Fund will be maintained separately to ensure accountability and to assist in tracking progress. HCD will be the administrative agency, as its infrastructure is already organized to support this function. It will be the responsibility of HCD to prepare an annual business plan for expenditure of the funds; market the program to non-profit and for-profit developers and others who provide housing; to develop program guidelines; accept, review and process funding applications; underwrite funding requests for project feasibility and proper funding levels; ensure that funds are leveraged with non-County funds to the greatest extent possible, targeting a 3:1 ratio; prepare funding recommendations to the County Executive and Board of Supervisors; provide detailed project management of the program ensuring funds are spent expeditiously and effectively utilized; provide regular financial and programmatic reporting on the Fund's progress. HCD shall regularly communicate with the public via the County web site, the Board, the FCRHA and the Advisory Committee on the use and effectiveness of the Fund. HCD will staff the Advisory Committee.

FISCAL IMPACT:

It is anticipated that the Fund (\$17.9M) will be fully expended, obligated or committed by the end of Fiscal Year 2006. Reasonable project, transactional, real estate services, and other costs associated with implementation of the fund, approved as part of the total project costs, may be necessary. Such expenses shall not exceed 2.5% of the annual funding.

ENCLOSED DOCUMENTS:

Attachment A: Proposed Affordable Housing Advisory Committee

STAFF:

Verdia L. Haywood, Deputy County Executive
Paula C. Sampson, Director, Department of Housing and Community Development

Proposed Affordable Housing Advisory Committee

COMMITTEE CO-CHAIRMEN:

Conrad Egan, Chairman, Fairfax County Redevelopment and Housing Authority
James M. Scott, State Delegate, Virginia House of Delegates

COMMITTEE MEMBERS:

William L. Berry, The Berry Companies
Michael Bodaken, National Housing Trust
Karen Cleveland, Habitat for Humanity of Northern Virginia
Joshua David, Fairfax Coalition of Police
Susan F. Dewey, Virginia Housing Development Authority
Carson Lee Fifer, Jr., McGuireWoods, LLP
John K. Freeman, Chesapeake Management Group, Inc.
John E. Gallagher, Virginia Foundation for Housing Preservation
William W. Hanks, Fairfax County Federation of Citizens Associations
Gerald Hopkins, AHOME
Mark S. Ingrao, Apartment and Office Building Association
David R. Jeffers, Fannie Mae
William H. Lauer, Tetra Partnerships
Rodney Lusk, Fairfax County Planning Commission
Clark L. Massie, NVBIA and Fairfax County Chamber of Commerce
R. Michael Mohler, Fairfax County Professional Fire Fighters and Paramedics, IAFF Local 2068
Ilryong Moon, Fairfax County School Board
Craig Nickerson, Freddie Mac
Kenneth Reinshuttle, Fairfax Education Association
Mark Silverwood, Silverwood Associates, Inc.
Knox Singleton, Inova Health System
Patricia Szego, Northern Virginia Association of Realtors
Kerrie B. Wilson, Reston Interfaith, Inc.
Scott Sterling, Greater Washington Board of Trade
Representative, Fairfax-Falls Church Community Services Board
Representative, Disability Services Board
Representative, Alliance for Affordable Housing
Representative, Alliance for Human Services
Representative, Human Services Council
Representative, Social Services Advisory Committee
Representative, Fairfax County Redevelopment and Housing Authority

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